

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 2004 annual general meeting of shareholders of K. Wah International Holdings Limited will be held at Picasso Room, Basement 1, InterContinental Grand Stanford Hong Kong, 70 Mody Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Monday, 31st May 2004 at 11:30 a.m. for the following purposes:

1. To receive and consider the financial statements and reports of the directors and auditors for the year ended 31st December 2003;
2. To declare a final dividend for the year ended 31st December 2003;
3. To elect directors and fix the directors' remuneration;
4. To re-appoint auditors and authorise the directors to fix their remuneration;
5. As special business, to consider and, if thought fit, pass the following resolutions as Ordinary Resolutions:
 - 5.1 **"THAT** the authorised share capital of the Company be and is hereby increased from HK\$388,800,000 to HK\$500,000,000 by the creation of 1,112,000,000 additional shares of HK\$0.10 each, such additional shares to rank pari passu in all respects with the existing shares of HK\$0.10 each in the capital of the Company."
 - 5.2 **"THAT**
 - (a) subject to paragraph (b) below, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of the Company be and it is hereby generally and unconditionally approved;
 - (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly; and
 - (c) for the purpose of this Resolution:

"Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:

 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the Companies Act 1981 of Bermuda (as amended) to be held; and
 - (iii) the revocation or variation of the authority given by this Resolution by an ordinary resolution of the shareholders in general meeting."
 - 5.3 **"THAT**
 - (a) subject to paragraph (c) below and subject to the consent of the Bermuda Monetary Authority, the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and it is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue, or (ii) the exercise of rights of subscription or conversion under the terms of any securities which are convertible into shares of the Company, or (iii) any option scheme or similar arrangement for the time being adopted by the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the grant or issue of shares or rights to acquire shares of the Company, or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company, shall not exceed the aggregate of:
- (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution; and
- (bb) (if the directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10% of the share capital of the Company in issue at the date of passing this Resolution),
- and the said approval shall be limited accordingly; and
- (d) for the purpose of this Resolution:
- “Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:
- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or The Companies Act 1981 of Bermuda (as amended) to be held;
- (iii) the revocation or variation of the approval given by this Resolution by an ordinary resolution of the shareholders in general meeting; and
- “Rights Issue” means an offer of shares open for a period fixed by the directors of the Company to holders of shares of the Company on the register on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

5.4 **“THAT** the directors of the Company be and they are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as resolution 5.3 in the notice of the meeting of which this Resolution forms a part in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

6. As special business, to consider and, if thought fit, pass the following resolution as a Special Resolution:

“THAT the Bye-laws of the Company be and are hereby amended in the following manner:

(a) by adding the following definitions in Bye-law 1 immediately before the definition of “Bermuda”:

““associate” in relation to any Director, shall have the meaning ascribed to it under Rule 1.01 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and any amendments thereto for the time being in force;

“clearing house” shall mean a recognized clearing house within the meaning of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any amendments thereto for the time being in force;”;

- (b) by amending Bye-law 96(A) as follows:
- (i) deleting the words “Where a member and/or warrant holder is a recognised clearing house (or its nominees) within the meaning of the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong)” in the first, second, third and fourth lines of Bye-law 96(A) and substituting therefor the words “Where a member and/or warrant holder is a clearing house (or its nominee)”; and
 - (ii) deleting the word “recognised” in the thirteenth line of Bye-law 96(A);
- (c) by adding the following new Bye-law 96(B) immediately after Bye-law 96(A):
- “Where any member is, under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.”;
- (d) by adding the words “, but shall not be taken into account in determining the Directors who are to retire by rotation at such meeting” at the end of Bye-law 100;
- (e) by deleting the existing Bye-law 108(B)(ii) in its entirety and substituting therefor the following Bye-law 108(B)(ii):
- “(ii) Subject to such exceptions specified in the bye-laws as The Stock Exchange of Hong Kong Limited may approve, a Director shall not vote on any board resolution approving or be counted in the quorum in respect of any contract or arrangement in which he or any of his associate(s) is to his knowledge materially interested, and if he shall do so his vote shall not be counted, but this prohibition shall not apply to:
- (a) any contract, arrangement or proposal for the giving to the Director or his associate(s) any security or indemnity in respect of money lent by him or them or obligations undertaken by him or them at the request of or for the benefit of the Company or any of its subsidiaries; and/or
 - (b) any contract, arrangement or proposal for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself or themselves assumed responsibility in whole or in part and whether alone or jointly under a guarantee or indemnity or by the giving of security; and/or
 - (c) any contract, arrangement or proposal in relation to an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or to be interested as a participant in the underwriting or sub-underwriting of the offer; and/or
 - (d) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his associate(s) is/are interested only as an officer(s) or executive(s) of that other company; and/or
 - (e) any contract, arrangement or proposal in relation to or concerning any other company in which the Director or his associate(s) is/are beneficially interested as a holder(s) of shares or other securities of that company Provided that the Director and any of his associates are not in aggregate beneficially interested in 5% or more of such issued shares or securities or the voting rights attaching to such issued shares or securities; and/or
 - (f) any contract, arrangement or proposal in relation to or concerning the adoption, modification or operation of any executive and/or employee share scheme or any share incentive or share option scheme under which the Director or his associate(s) may benefit; and/or
 - (g) any contract, arrangement or proposal in relation to or concerning the adoption, modification or operation of a pension fund or retirement, death or disability benefits scheme which relates both to the Directors, their associates and employees of the Company or any of its subsidiaries or its associated companies and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and/or

- (h) any contract, arrangement or proposal in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest(s) in shares or debentures or other securities of the Company.”
- (f) by adding the words “and/or his associate(s)” after the words “(other than the chairman of the meeting)” in the second and third lines of Bye-law 108(B)(iii), adding the words “and/or his associate(s)” after the words “of the Director” in the tenth line of Bye-law 108(B)(iii) and adding the words “and/or his associate(s)” after the words “chairman” in the eighteenth line of Bye-law 108(B)(iii); and
- (g) by adding the sentence “The period for lodgment of the said notice under this Bye-law shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days prior to the date of such meeting, provided that such period shall be at least seven days.” after the word “meeting.” in the eighth line of Bye-law 114.”

By Order of the Board
Steven Tong Kui Nam
Company Secretary

Hong Kong, 28th April 2004

Notes:

1. The registers of members will be closed from 24th May 2004 to 31st May 2004, both days inclusive, during which period no transfer of shares will be effected.
2. Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote, on a poll, on his behalf. A proxy need not be a member of the Company.
3. A form of proxy for use in connection with the annual general meeting is enclosed. The form of proxy shall be deposited at the principal office of the Company in Hong Kong not less than 48 hours before the time for holding the meeting.
4. Concerning agenda item 3 above, Mr. Lennon Lun Tsan Kau, Ms. Paddy Tang Lui Wai Yu and Dr. Robin Chan Yau Hing will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Mr. William Lo Chi Chung, being a new director appointed by the Board, shall hold office until the Annual General Meeting and being eligible, offers himself for re-election. Details of the above Directors are set out in the circular enclosed with this Annual Report.
5. Concerning agenda item 5.1 above, the directors wish to draw the attention of members to the circular enclosed with this Annual Report.
6. Concerning agenda item 5.2 above, approval is being sought from members for increasing flexibility and providing discretion to the directors in the event that it becomes desirable to repurchase shares representing up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the resolution on The Stock Exchange of Hong Kong Limited. An explanatory statement to provide relevant information in respect of the proposed granting of the repurchase mandate to the directors is set out in the circular enclosed with this Annual Report.
7. Concerning agenda item 5.3 above, approval is being sought from members for a general mandate to the directors to allot, issue and deal with additional shares in the capital of the Company.
8. Concerning agenda item 6 above, the directors wish to draw the attention of members to the circular enclosed with this Annual Report which contains, inter alia, reasons for amending the Bye-laws.